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C O N F I D E N T I A L SEOUL 003224

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TAGS: PGOV PINR PREL KN KS

SUBJECT: BLUE HOUSE ADVISORS: WE WILL LOSE IN DECEMBER BUT THAT'S OK

Classified By: POL M/C Joseph Y. Yun. Reasons 1.4 (b,d).

¶1. (C) SUMMARY: On October 30, Poloffs met with two working-level Blue House policy advisers. The two, both typical "Roh-sa-mo" supporters who owe their Blue House jobs to their work on the Roh campaign in 2002, were pessimistic about United New Democratic Party (UNDP) Candidate Chung Dong-young's chances in the December 19 presidential election, but were optimistic that the UNDP would be more successful in the April 2008 parliamentary elections. They noted that they expected the extension of the South Korean troops to Iraq likely would pass without much difficulty despite the early rhetoric to the contrary. Both also predicted that additional revelations about Lee Myung-bak's past would provide ample fodder for the UNDP and the press to attack once Lee took office. END SUMMARY.

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TEPID SUPPORT FOR UNDP CANDIDATE  
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¶2. (C) The Blue House contacts admitted that the Roh Moo-hyun administration had little enthusiasm for backing UNDP candidate Chung Dong-young. Instead, they said Roh supporters were working for independent candidate Moon Kuk-hyun or had already started on former Health and Welfare Minister Rhyu Si Min's 2012 campaign. Former head of the southeastern region Roh-sa-mo organization and current Blue House adviser Kim Tae-when said the Roh followers had, "all gone every which way," and "no one voluntarily joined Chung's camp." They sadly admitted the election of Lee Myung-bak, the opposition Grand National Party (GNP) candidate, was inevitable.

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FURTHER ALLEGATIONS OF LEE'S PAST IMPROPRIETIES  
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¶3. (C) While hints of Lee's past improprieties including the BBK/Kim Kyung-joon scandal are being highlighted in the Korean media, the Blue House officials described the allegations as being "too little, too late" to seriously impact Lee Myung-bak's candidacy. They predicted that, although the Korean public's support of Lee as a candidate was lukewarm, a misguided belief in the effectiveness of Lee's economic policies would ensure his election.

¶4. (C) The Blue House officials mentioned two confirmed

accounts of Lee's past arrests or indictments: his 1964 student arrest for protesting President Park Chung-hee's policies and his resignation from the National Assembly in 1998 for violating election finance laws. In addition, Kim Tae-ghan claimed that there were a minimum of twelve additional instances of arrest or indictment yet to be revealed in the media. When Lee registers as a presidential candidate on November 25 or 26, he must declare all past transgressions. Again, this might not be enough to keep him from the Blue House, but it could give the media and the opposition ample reason to attack Lee from the day he is elected, which could help the UNDP salvage a victory in the April National Assembly election.

¶15. (C) The Blue House contacts speculated that Lee Hoi-chang, the GNP candidate who was defeated in the previous two presidential elections, might be mulling another run to hedge against the possibility that further allegations, especially those involving BBK, may derail Lee's candidacy. They dismissed Lee Hoi-chang as a serious threat to win since he was old and had already been discredited in his past defeats.

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EXPECTATIONS FOR THE 2008 PARLIMENTARY ELECTIONS  
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¶16. (C) The Blue House officials claimed the mainstream media may be reluctant to further investigate and divulge Lee's misdoings because of the potential impact on the upcoming election. However, they were confident that as these allegations surfaced in the days following the election, a jaded Korean public would overwhelmingly elect UNDP candidates in the April 2008 parliamentary elections. Responding to questions of whether the UNDP could stay together until April, Jo Su-jeong, an assistant on the policy planning staff at the Blue House, said that the UNDP would stay together because if they do not, they would have lost control of both the Blue House and the National Assembly.

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IRAQ  
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¶17. (C) Both Kim and Jo agreed the Iraq deployment would be extended. While UNDP Candidate Chung and the party had come out strongly against the extension, a compromise had been reached so the extension could pass the Assembly. They said the persuasiveness of Roh's speech -- apologizing for reneging on his promise to end the deployment by the end of 2007 -- was the reason the extension had recently gained more support in the Assembly and in the public.

VERSHBOW